

In the Claims:

Please cancel claims 8, 17 and 19-25.

1. (Currently amended) A computer-implemented method ~~for investing~~, comprising:

creating ~~an~~ using one or more computers a first equation for a plurality of stocks, wherein the equation is created using multiple linear regression techniques to calculate a plurality of coefficients each associated with one of a plurality of statistic types that is correlated with actual market prices of the plurality of stocks wherein at least some of the plurality of statistic types comprise financial information, other than the particular stock's past market price, specific ~~to the~~ to an entity associated with the particular stock and wherein a dependent variable of the first equation comprises a measure predictive of market value;

~~using the equation to estimate~~ estimating, using the one or more computers and the equation, the degree to which ones of the plurality of stocks are over-priced or under-priced relative to the price of other ones of the plurality of stocks;

eliminating some stocks from consideration for purchasing or selling, using the one or more computers, based upon a first elimination criterion wherein the first elimination criterion itself is determined using a second equation created using multiple linear regression techniques to determine a prediction of the value of a particular financial statistic and wherein the first elimination criterion comprises eliminating stocks where the actual value of the particular financial statistic for a stock exceeds a threshold variance from the prediction of the value of the particular financial statistic for the stock and wherein the particular financial statistic is different from the dependent variable of the first equation; and

~~based upon the estimates made using the equation~~, purchasing or selling at least some stocks, futures contracts on at least some stocks, or options on at least some stocks, in the plurality of stocks, wherein the purchasing or selling is based upon the estimates made using the equation and wherein the purchasing or selling does not include stocks eliminated from considering during the eliminating step.

2. (Currently amended) The method of Claim 1, ~~further comprising:~~ wherein the step of creating an equation further involves iteratively performing multiple linear regression using the one or more computers wherein outliers are eliminated from use in creating the equation after at least one iteration; and

wherein outliers comprise stocks whose degree of ~~over-pricing or under-pricing~~ over-valuing or under-valuing relative to the ~~price~~ value of other ones of the plurality of stocks as determined by the most recent iteration of the regression exceeds a threshold multiple of standard deviations.

3. (Original) The method of Claim 1, wherein at least one of the plurality of statistic types comprises a financial statistic that is non-unique to any particular stock in the plurality of stocks.

4. (Original) The method of Claim 1, wherein creating an equation further comprises calculating the plurality of coefficients using at least one stepwise linear regression.

5. (Original) The method of Claim 1, wherein the plurality of statistic types does not include certain statistic types that were eliminated using a correlation analysis.

6. (Currently amended) The method of Claim 1, wherein at least some stocks are rejected from consideration for purchasing or selling based upon a ~~first~~ second elimination criterion wherein the rejection is determined using the one or more computers.

7. (Currently amended) The method of Claim 6, wherein the ~~first~~ second elimination criterion comprises at least one criteria selected from the group comprising: insufficient liquidity, operation at a loss, a dramatic recent change in share price, sensitivity to interest rate changes, a price to earnings ratio above a particular threshold, and a price to earnings ratio below a particular threshold.

8. (Cancelled)

9. (Original) The method of Claim 1, wherein at least some of the plurality of statistics comprise data that must be reported to a government entity.

10. (Currently amended) The method of Claim 1, further comprising:
~~for the at least some of the plurality of stocks,~~ identifying an overvalued set of stocks and an undervalued set of stocks based upon the equation using the one or more computers wherein the overvalued set and undervalued set are each formed from the at least some of the plurality of stocks;

selling short, buying or selling futures contracts on, or buying or selling options on at least some stocks in the overvalued set of stocks; and

buying, buying or selling futures contracts on, or buying or selling options on at least some stocks in the undervalued set of stocks.

11. (Currently amended) A system for investing, comprising:
software contained within a computer-readable medium and when executed operable
to:

create ~~an equation~~ a first equation for a plurality of stocks, wherein the equation is created using regression techniques to calculate a plurality of coefficients each associated with one of a plurality of statistic types that is correlated with a first value measure of the plurality of stocks wherein at least some of the plurality of statistic types comprise financial information, other than the particular stock's past market price, specific to the entity associated with the particular stock and wherein a dependent variable of the first equation comprises a measure predictive of market value;

wherein the first value measure comprises a value measure selected from the group consisting of actual market price, price to earnings ratio, price to book value ratio, and price to revenue ratio;

use the first equation to estimate the degree to which ones of the plurality of stocks are over-valued or under-valued relative to the plurality of stocks as a whole;

eliminate some stocks from consideration for purchasing or selling based upon a first elimination criterion wherein the first elimination criterion itself is determined using a second equation created using multiple linear regression techniques to determine a prediction of the value of a particular financial statistic and wherein the first elimination criterion comprises eliminating stocks where the actual value of the particular financial statistic for a stock exceeds a threshold variance from the prediction of the value of the particular financial statistic for the stock and wherein the particular financial statistic is different from the dependent variable of the first equation; and

based upon the estimates made using the equation, ~~purchase or sell~~ providing data identifying at least some stocks, futures contracts on at least some stocks, or options on at least some stocks, in the plurality of stocks to purchase or sell wherein the data so identified does not include stocks eliminated from consideration using the first elimination criteria.

12. (Currently amended) The system of Claim 11, ~~further comprising wherein the software is further operable to:~~

for the at least some of the plurality of stocks, identify an overvalued set of stocks and an undervalued set of stocks based upon the first equation;

sell short, buy or sell futures contracts on, or buy or sell options on at least some stocks in the overvalued set of stocks; and

buy, buy or sell futures contracts on, or buy or sell options on at least some stocks in the undervalued set of stocks.

13. (Currently amended) The system of Claim 11, ~~further comprising wherein the software is further operable to:~~

at some point before final creation of the first equation, eliminate at least one stock from the plurality of stocks for use in determining the first equation based upon a numerical criteria indicating that the at least one stock comprises an outlier from a statistical point of view.

14. (Currently amended) The system of Claim 11,
wherein the equation further comprises a weighted average of results produced from a plurality of additional equations; and

wherein each of the plurality of additional equations is created using multiple linear regression techniques.

15. (Currently amended) The system of Claim 11, wherein the software is further operable to reject at least some stocks ~~are rejected~~ from consideration for purchasing or selling based upon a ~~first~~ second elimination criterion.

16. (Currently amended) The system of Claim 15, wherein the ~~first~~ second elimination criterion comprises at least one ~~criteria~~ criterion selected from the group comprising: insufficient liquidity, operation at a loss, a dramatic recent change in share price, sensitivity to interest rate changes, a price to earnings ratio above a particular threshold, and a price to earnings ratio below a particular threshold.

17. (Cancelled)

18. (Previously presented) The system of Claim 11, wherein at least some of the plurality of statistic types comprise statistics that must be reported to a government entity.

19-25. (Cancelled)

In the Drawings:

Figures 2 and 3 have been amended. Annotated sheets showing the changes along with replacement sheets are attached to this Response.